

The Honorable James L. Robart

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PATH AMERICA, LLC; PATH AMERICA
SNOCO LLC; PATH AMERICA FARMER'S
MARKET, LP; PATH AMERICA KINGCO
LLC; PATH AMERICA TOWER, LP; PATH
TOWER SEATTLE, LP; POTALA TOWER
SEATTLE, LLC; and LOBSANG DARGEY,

Defendants, and,

POTALA SHORELINE, LLC; POTALA
VILLAGE KIRKLAND, LLC; DARGEY
DEVELOPMENT, LLC; DARGEY
ENTERPRISES, LLC; PATH OTHELLO,
LLC; PATH FARMER'S MARKET, LLC; and
DARGEY HOLDINGS, LLC,

Relief Defendants.

Case No. 2:15-cv-01350-JLR

STIPULATED MOTION AND ~~PROPOSED~~
ORDER MODIFYING PREVIOUS ORDER
REGARDING UPDATED BUDGET,
PROPOSAL FOR FINANCING, AND
CONSULTANT AGREEMENT FOR
FARMER'S MARKET AND MOTION
PRELIMINARILY APPROVING
DISPOSITION OF RECEIVERSHIP ASSETS

NOTE ON MOTION CALENDAR: Date of
Filing per [Local Civil Rules 10(g), 7(d)1]

STIPULATED MOTION

1
2 **PLEASE TAKE NOTICE** that Michael A. Grassmuck (the "Receiver"), the court-
3 appointed Receiver for Path America LLC; Path America SnoCo LLC; Path America Farmer's
4 Market, LP; Potala Shoreline, LLC; Potala Village Kirkland, LLC; Dargey Development, LLC;
5 Dargey Enterprises, LLC; Path Farmer's Market, LLC; and Dargey Holdings, LLC, and Plaintiff
6 Securities and Exchange Commission ("SEC")¹, hereby file this stipulated motion ("Stipulated
7 Motion") for an order modifying this Court's prior order approving, among other things, the
8 Receiver's recommendation to select the restructuring proposal submitted by EB5 Group, LLC
9 ("EB5G") for the mixed use development project currently known as Potala Marketplace, located
10 at 2900 Grand Avenue, Everett, Washington (the "Restructuring Transaction"), to extend the
11 Court-ordered deadline to execute the final documents memorializing the Restructuring
12 Transaction.

13 **WHEREAS**, on March 8, 2017, the Court entered an order (the "Preliminary Approval
14 Order") which, among other things, approved the Receiver's recommendation to select the
15 proposal for the Restructuring Transaction proposed by EB5G;

16 **WHEREAS**, the Preliminary Approval Order requires the Receiver and EB5G to finalize
17 and execute final documents memorializing the Restructuring Transaction by no later than March
18 31, 2017, and submit a motion for approval of the final terms of the Restructuring Transaction,
19 including the fully executed documents memorializing the Restructuring Transaction and
20 agreement between the parties, by no later than April 13, 2017;

21 **WHEREAS**, the Receiver and EB5G are diligently working to finalize documents for the
22 Restructuring Transaction, but require additional time beyond March 31, 2017 to conclude their
23 discussions regarding the final terms of the transaction and prepare final documents for execution;

24 **WHEREAS**, the Receiver and EB5G anticipate that final documents for the Restructuring
25 Transaction will be prepared and fully executed on or before April 7, 2017, and the Receiver will
26 still have sufficient time to meet the Court's April 13, 2017 deadline to submit his motion for
27

28 ¹ The Receiver and the SEC are together referred to herein as the "Parties."

1 approval of the transaction, thereby avoiding any delay in closing the transaction before appeal
2 papers must be submitted to United States Citizenship and Immigration Services;

3 **WHEREAS**, the Parties have conferred regarding extending the deadline to execute the
4 final documents memorializing the Restructuring Transaction, and have agreed that the current
5 deadline of March 31, 2017 should be extended to April 7, 2017.

6
7 **THEREFORE**, the Parties hereby **STIPULATE** and **AGREE** as follows:

8 1. The deadline to execute the final documents memorializing the Restructuring
9 Transaction is to be extended to April 7, 2017; and

10 2. All other deadlines established in the Preliminary Approval Order shall otherwise
11 remain unchanged.

12 **IT IS SO STIPULATED.**

13
14 Dated: March 28, 2017

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

15
16 By: /s/ Michael R. Farrell

17 David R. Zaro, Esq. #124334 (CA)
18 (Pro Hac Vice Granted Oct. 26, 2015)
19 Michael R. Farrell, Esq. #173831 (CA)
20 (Pro Hac Vice Granted Nov. 6, 2015)
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23 Attorneys for Receiver
MICHAEL A. GRASSMUECK

1 Dated: March 28, 2017

SECURITIES AND EXCHANGE
COMMISSION

3 By: /s/ Susan F. LaMarca

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PROPOSED ORDER

The Court, having read the Stipulated Motion and Proposed Order Modifying Previous Order Regarding Updated Budget, Proposal for Financing, and Consultant Agreement for Farmer's Market and Motion Preliminarily Approving Disposition of Receivership Assets (the "Stipulated Motion"), filed by Michael A. Grassmuck, the Court-appointed receiver for Path America LLC; Path America SnoCo LLC; Path America Farmer's Market, LP; Potala Shoreline, LLC; Potala Village Kirkland, LLC; Dargey Development, LLC; Dargey Enterprises, LLC; Path Farmer's Market, LLC; and Dargey Holdings, LLC, and Plaintiff Securities and Exchange Commission—which seeks an order modifying this Court's prior order entered on March 8, 2017 (Docket No. 511) (the "Preliminary Approval Order") approving the Receiver's recommendation to select the restructuring proposal submitted by EB5 Group, LLC ("EB5G") for the mixed use development project currently known as Potala Marketplace, located at 2900 Grand Avenue, Everett, Washington (the "Restructuring Transaction"), to extend the existing deadline to execute the final documents memorializing the Restructuring Transaction—and good cause appearing therefor, hereby **ORDERS** as follows:

1. The Stipulated Motion is hereby Approved;
2. The March 31, 2017 deadline for the Receiver and EB5G to execute final agreements for the Restructuring Transaction is hereby extended to April 7, 2017; and
3. All other deadlines established in the Preliminary Approval Order shall otherwise remain unchanged.

IT IS SO ORDERED.

Dated: 29 March, 2017


Hon. James L. Robart
Judge, United States District Court

CERTIFICATION OF MEET AND CONFER

In accordance with Local Civil Rule 5(g)(3)(A), I hereby certify that I met and conferred with all other parties to this Stipulated Motion and Proposed Order Modifying Previous Order Regarding Updated Budget, Proposal for Financing, and Consultant Agreement for Farmer's Market and Motion Preliminarily Approving Disposition of Receivership Assets on March 28, 2017, by way of e-mail communications with counsel for the Parties, and the Parties agree that the March 31, 2017 deadline previously established by the Court to execute final agreements for the restructuring transaction for the mixed use development project currently known as Potlatch Marketplace, located at 2900 Grand Avenue, Everett, Washington should be extended to April 7, 2017.

Dated: March 28, 2017

/s/ Michael R. Farrell
Michael R. Farrell, Esq. #173831 (CA)
(Pro Hac Vice Granted Nov. 6, 2015)

CERTIFICATE OF SERVICE

I hereby certify that on March 28, 2017, I caused the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of the filing to all counsel of record.

Dated: March 28, 2017

/s/ Michael R. Farrell
Michael R. Farrell, Esq. #173831 (CA)
(Pro Hac Vice Granted Nov. 6, 2015)